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**FISCAL IMPACT STATEMENT**

**LS 6941**

**BILL NUMBER:** HB 1395

**NOTE PREPARED:** Jan 25, 2015

**BILL AMENDED:**

**SUBJECT:** Statewide 911 Services.

**FIRST AUTHOR:** Rep. Soliday

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Local Commission Members:* This bill provides that a majority of members of a local public safety communications commission that collects and processes criminal justice information must represent criminal justice agencies.

*Statewide 911 Board Chairperson:* The bill provides that the executive director of the Department of Homeland Security (DHS) serves as the chairperson of the Statewide 911 Board. (Current law provides that the Treasurer of State serves as chairperson of the board.)

*Statewide 911 Fee:* It extends the sunset of the statewide 911 fee from June 30, 2015, to June 30, 2020.

*Interlocal Agreements:* The bill provides that an interlocal agreement for the operation of a Public Safety Answering Point (PSAP) must be amended not later than December 31, 2015, to require a political subdivision that is a party to the interlocal agreement to pay for at least 50% of the costs associated with dispatching emergency services to respond to 911 calls that originate within the political subdivision.

The bill also makes a technical correction.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** *Statewide 911 Board Chairperson:* This provision has no fiscal impact.

**Explanation of State Revenues:** *Statewide 911 Fee:* Under current law, the Statewide 911 Fee expires on July 1, 2015, unless the State Budget Committee recommends its continuance. This bill extends the potential

sunset of the fee by five years to July 1, 2020. The State Budget Committee will make a recommendation regarding its continuance in 2020.

This bill increases the standard user fee by \$0.10 per line per month but does not change the prepaid fee. The fee change will increase 911 fee revenue by about \$7 M per year beginning in FY 2016.

According to the Statewide 911 Board, there were 74.3 M wireline and wireless connections in FY 2014. (One line active for 12 months accounts for 12 connections.) The board is projecting that the number of connections will decline to 72.5 M in FY 2015, 71.6 M in FY 2016, and 70.9 M in FY 2017.

Revenue from the Statewide 911 Fee is first used to fund the Statewide 911 Board's expenses for administration and to develop, operate, and maintain the statewide 911 system. The remaining revenue is distributed to PSAPs in the counties. In FY 2014, \$60.7 M was distributed to PSAPs. There was \$768,000 remaining after paying the board's expenses and making the PSAP distributions.

The \$60.7 M is the minimum distribution to PSAPs under current law. The Statewide 911 Board estimates that it may be \$1.9 M short in available funds to make those minimum distributions in FY 2015.

Under this bill, revenue will increase by about \$7 M per year beginning in FY 2016. The portion of this revenue increase that would be distributed to PSAPs depends on any change in the Statewide 911 Board's expenses. According to the board, its future costs are currently unknown but will range from the current \$11 M to \$18 M, driven by costs associated with the statewide 911 network.

**Explanation of Local Expenditures:** *Local Commission Members:* This provision has no fiscal impact.

**Explanation of Local Revenues:** *Statewide 911 Fee:* Local PSAPs receive revenues from the Statewide 911 fee that remain after the Statewide 911 Board retains a portion to cover its costs. Under this bill, fees could increase by \$7 M per year, but the Statewide 911 Board may also have increased expenses.

If the Statewide 911 Board's expenses remain flat, PSAPs could receive an additional \$4.5 M in FY 2016 and \$3.8 M in FY 2017 in addition to the \$60.7 M minimum distribution. If the board's expenses increase, then PSAPs could receive a smaller amount of the revenue attributable to the fee increase or none at all.

*Interlocal Agreements:* This provision may increase expenses for some taxing units while increasing revenues for units responsible to operating the PSAPs. Overall local resources would be unchanged.

Prior to January 1, 2015, PSAP operators in a county that had more PSAPs than currently permitted were required to enter into interlocal agreements with the other PSAP operators in the county to limit the number of PSAPs. This bill requires the agreements to be amended so that each participant in the agreement pays at least 50% of the 911 dispatch cost for that unit's territory.

The amount of expense for some taxing units and revenues for others is currently indeterminate as data regarding call origination and total dispatch costs are not currently available.

**State Agencies Affected:** Statewide 911 Board; Treasurer of State; Department of Homeland Security.

**Local Agencies Affected:** Public safety answering points. Units that are parties to interlocal agreements on PSAPs.

**Information Sources:** Barry Ritter, Executive Director, Statewide 911 Board.

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